

**STATE OF ALASKA**  
**STATE BOND COMMITTEE**

**TO BE HELD AT**  
**Department of Revenue**  
**Commissioner's Conference Room**  
**333 Willoughby Avenue, 11th Floor**  
**Juneau, Alaska 99801**

**July 26, 2016**

**9:00 AM ADT**



# **STATE BOND COMMITTEE AGENDA FOR BOARD OF DIRECTOR'S MEETING**

**Alaska Department of Revenue  
Commissioner's Conference Room  
333 Willoughby Avenue  
State Office Building, 11<sup>th</sup> Floor  
Juneau, Alaska 99811**

**July 26, 2016 9:00 A.M.**

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Public Participation and Comment**
- VI. New Business**
  - A. Resolution 2016-09 – AHFC Collateralized Bonds (Veterans Mortgage Program)**
- VIII. Committee Member Comments**
- X. Adjournment**

Notice of Meeting – State Bond Committee – Board of Director's Meeting

Notice is hereby given that the State of Alaska State Bond Committee will hold a meeting at the Alaska Department of Revenue Commissioner's Office, 333 Willoughby Avenue, 11<sup>th</sup> Floor, Juneau, Alaska 99811, on July 26, 2016 at 9:00 a.m.

Resolution No. 2016-09 AHFC Collateralized Bonds (Veterans Mortgage Program)

The public is invited to attend and will be given the opportunity for public comment and participation. The State Bond Committee complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973.

Dated July 21, 2016  
Ryan Williams

## STATE BOND COMMITTEE

### RESOLUTION NO. 2016-09

A Resolution of the State Bond Committee of the State of Alaska relating to, and ratifying and approving, the issuance and sale by the Alaska Housing Finance Corporation of \$50,000,000 aggregate principal amount of Alaska Housing Finance Corporation Collateralized Bonds (Veterans Mortgage Program), 2016 First Series and 2016 Second Series, to be guaranteed by the State of Alaska, to refund the Corporation's outstanding commercial paper notes and also to make and/or purchase new mortgage loans; approving and ratifying the sale of such Bonds; and ratifying and approving the amount, terms and timing of the sale of such Bonds and the application of proceeds thereof; and authorizing the State Debt Manager and other appropriate officials of the State of Alaska to approve information relating to the State included in the Corporation's Amended and Restated Official Statement and to execute the necessary documents in connection therewith.

WHEREAS, Ch. 34, SLA 2002 (the "2002 Act") authorizes the unconditional guaranty by the State of Alaska (the "State") of the principal of and the interest on not more than \$500,000,000 of revenue bonds of the Alaska Housing Finance Corporation (the "Corporation") to provide money for the Corporation to make or to purchase mortgages made for qualifying veterans; and

WHEREAS, the 2002 Act provides that the full faith, credit and resources of the State are pledged to the payment of the principal of and interest on such bonds and that the principal of and interest on the bonds are the general obligation of the State; and

WHEREAS, as required by the 2002 Act and by Article IX, Section 8 of the State Constitution, the unconditional guaranty of such bonds as a general obligation of the State was approved by a majority of the qualified voters voting at a general election held on November 5, 2002; and

WHEREAS, on September 19 2006, with the approval of the State Bond Committee as required by AS 18.56 (together with the 2002 Act, the "Act"), the Corporation issued in two subseries \$190,000,000 aggregate principal amount of its Collateralized Bonds, 2006 First Series (Veterans Mortgage Program), referred to below as the "2006 First Series Bonds," of which \$33,900,000 were outstanding as of April 30, 2016; and

WHEREAS, on June 1, 2016, the Corporation redeemed all of the outstanding 2006 First Series Bonds with proceeds of commercial paper notes issued by the Corporation for such purpose; and

WHEREAS, at the request of the Corporation, on June 6, 2016 the State Bond Committee adopted Resolution No. 2016-08 (the "First Resolution") to approve the issuance by the Corporation of not exceeding \$60,000,000 aggregate principal amount of Alaska Housing Finance Corporation Collateralized Bonds (Veterans Mortgage Program), 2016 First Series for the purpose of refunding the commercial paper notes then outstanding (the "2016 Bonds"); and

WHEREAS, the Corporation has requested the State Bond Committee to authorize the Corporation to apply proceeds of the 2016 Bonds to purchase veterans mortgage loans in addition to refunding commercial paper notes; and

WHEREAS, the 2016 Bonds will be issued as Additional Bonds pursuant to, and will be secured on a parity with the outstanding bonds under, the Corporation's Master Indenture, dated as of October 1, 1999, as heretofore amended and supplemented (the "Master Indenture"), as supplemented by a supplemental indenture to be entered into by the Corporation and U.S. Bank National Association, as trustee, in connection with the issuance of the 2016 Bonds; and

WHEREAS, as of June 1, 2016, approximately \$11,585,000 of bonds issued under the Master Indenture are outstanding; and

WHEREAS, the Corporation notified the Designated Representative that the Corporation has determined to issue the 2016 Bonds in two series, the 2016 First Series Bonds in an aggregate principal amount of \$32,150,000 to refund the Corporation's outstanding commercial paper notes and the 2016 Second Series of Bonds in an aggregate principal amount of \$17,850,000, to purchase additional mortgage loans; and that the Corporation had awarded the 2016 Bonds for such purposes at public sale based upon the lowest true interest cost and on terms fixed under a notice of sale, the form of which is included with this resolution; and

WHEREAS, the Corporation prepared an Amended and Restated Official Statement with respect to the 2016 Bonds (the "Official Statement") for delivery to the initial purchasers of the 2016 Bonds, which Official Statement includes information about the State; and

WHEREAS, the State will be required to execute a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to evidence the State's obligation to provide certain continuing disclosure information;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOND COMMITTEE OF THE STATE OF ALASKA, as follows:

Section 1. Authorization of the 2016 Bonds. (a) As authorized in the 2002 Act, the issuance by the Corporation of \$50,000,000 aggregate principal amount of 2016 Bonds to refund all or a portion of the outstanding commercial paper notes (the "Notes") and to make or to purchase additional mortgage loans to qualifying veterans (the "Mortgage Loans") is hereby approved. The proceeds to be received from the sale of \$32,150,000 aggregate principal amount of 2016 First Series Bonds, comprised of \$860,000 of Subseries A-1 Bonds and \$31,290,000 of Subseries A-2 Bonds, shall be applied to refund the Notes, and the proceeds to be received from the sale of the 2016 Second Series Bonds shall be applied to make or to purchase the Mortgage Loans. The 2016 Bonds when issued by the Corporation in accordance herewith will be guaranteed as to principal and interest by the State, and the full faith, credit and resources are of the State will be pledged to the payment thereof.

(b) The public sale by the Corporation to Raymond James & Associates, Inc. (the "Underwriter") of the 2016 Bonds at an aggregate purchase price of \$50,000,000 and the payment to the Underwriter of an underwriting fee of \$500,000 are hereby ratified and approved.

(c) When issued by the Corporation, the 2016 Bonds of each series and subseries shall mature, subject to prior redemption, on the dates and in the principal amounts and shall bear interest at the rates, set forth on the inside cover pages of the Official Statement and shall be subject to redemption as described in the Official Statement.

Section 2. Delegation and Authorization of Designated Representative; Disclosure and Continuing Disclosure. (a) The State Bond Committee hereby authorizes the Designated Representative to review and approve, on behalf of the State, the information about the State included in the Official Statement. The Designated Representative is further authorized to execute and deliver a certificate to the Underwriter regarding such disclosure information.

(b) The State Bond Committee hereby authorizes the Designated Representative and all other appropriate State Officials to execute the Continuing Disclosure Agreement and any and all other documents required to be executed on behalf of the State in connection with the issuance and sale by the Corporation of the 2016 Bonds.

Section 3. Effective Date and Definitions. This resolution shall become effective immediately upon its adoption. Capitalized terms used herein but not defined shall have the meanings assigned thereto in the First Resolution.

ADOPTED AND APPROVED by the State Bond Committee of the State of Alaska, the  
26<sup>th</sup> day of July, 2016.

STATE OF ALASKA  
STATE BOND COMMITTEE

---

CHRIS HLADICK  
Commissioner, Department of Commerce  
Community and Economic Development  
Chair and Member  
Alaska State Bond Committee

---

SHELDON FISHER  
Commissioner, Department of Administration  
Member  
Alaska State Bond Committee

---

RANDALL HOFFBECK  
Commissioner, Department of Revenue  
Secretary and Member  
Alaska State Bond Committee

Approved as to form:

---

Alaska Department of Law  
State of Alaska

## CERTIFICATE

I, the undersigned, Secretary of the State Bond Committee of State of Alaska (the "State"), and keeper of the records of the State Bond Committee (the "Committee"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 2016-09 of the Committee (the "Resolution"), duly passed at a meeting thereof held on July 26, 2016.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Committee voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 26<sup>th</sup> day of July, 2016.

---

Secretary



## CERTIFICATE

I, JERRY BURNETT, on behalf of the State of Alaska (the “State”) Bond Committee and keeper of the records of the State Bond Committee (the “Committee”), DO HEREBY CERTIFY:

1. The attached resolution is a true and correct copy of Resolution No. 2016-09 of the Committee (the “Resolution”), duly adopted and executed at a special meeting thereof held on the 26<sup>th</sup> day of July, 2016.

2. Such special meeting was duly convened and held in accordance with law, and to the extent required by law, due and proper notice of such special meeting was given; a legal quorum was present throughout the meeting and a legally sufficient number of members of the Committee voted in the proper manner for the adoption of the Resolution; all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and I am authorized to execute this certificate.

3. The Resolution remains in full force and effect and has not been amended, modified, superseded or repealed since July 26, 2016.

Dated: July 27, 2016

---

Jerry Burnett, Deputy  
Commissioner,  
Department of Revenue,  
on behalf of the  
State Bond Committee

**OFFICIAL NOTICE OF SALE**

**\$50,000,000\***

**Alaska Housing Finance Corporation  
Collateralized Bonds  
(Veterans Mortgage Program)**

**\$32,150,000\***

**2016 First Series**

**\$860,000\* Subseries A-1 (Non-AMT)**

**\$31,290,000\* Subseries A-2 (AMT)**

**and**

**\$17,850,000\***

**2016 Second Series (Non-AMT)**

NOTICE IS HEREBY GIVEN that the Alaska Housing Finance Corporation (the "Corporation") will receive electronic bids for the purchase of its Collateralized Bonds, 2016 First Series (Veterans Mortgage Program) Subseries A-1 (Non-AMT) (the "2016 A-1 Bonds") and Subseries A-2 (AMT) (the "2016 A-2 Bonds" and, together with the 2016 A-1 Bonds, the "First Series Bonds") and its Collateralized Bonds, 2016 Second Series (Veterans Mortgage Program) (Non-AMT) (the "Second Series Bonds" and together with the First Series Bonds the "Bonds") until 11:00 a.m. Eastern Standard Time (7:00 a.m. Alaska time) on July 13, 2016 (unless postponed as described herein), exclusively through the competitive BiDCOMP/PARITY<sup>®</sup> Parity Electronic Bid Submission System ("Parity").

Bidders are invited to submit bids pursuant to the terms set forth herein for both Series of Bonds and may not bid for less than all the Bonds of a Series.

**TERMS OF SALE**

**Interest.** All 2016 A-1 Bonds of the same maturity must bear interest from the date of issue until the stated maturity date at a single interest rate. All 2016 A-2 Bonds of the same maturity must bear interest from the date of issue until the stated maturity date at a single interest rate. All Second Series Bonds of the same maturity must bear interest from the date of issue until the stated maturity date at a single interest rate. Bidders are invited to name the rate(s) of interest per annum to be borne by the Bonds, provided that each rate bid must be a multiple of 1/8 of 1% or 1/20 of 1%. The highest rate bid shall not exceed the lowest rate bid by more than four percent (4%). No interest rate bid shall exceed eight percent (8%).

---

\* Preliminary, subject to change.

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

**Bid Parameters.** No bid shall be at a price of less than 99 percent or more than 100 percent of the aggregate maturing principal amount of the Bonds (based on Revised Amounts as described) for which a bid is submitted.

**Undertakings of the Successful Bidder.** Unless the bidder certifies that it has purchased the Bonds for its own account and not with view to redistribution, the initial offering prices of the Bonds must equal 100% of the principal amount thereof. By submitting its bid, each bidder agrees that, if it is awarded the Bonds, it will either retain the Bonds as a long term investment for its own account or make a bona fide public offering of the Bonds of each maturity to the public after the award at the initial offering price stipulated herein. The successful bidder for each Series of the Bonds shall, within 30 minutes after being notified of the award of such Series of Bonds, advise the Chief Financial Officer/Finance Director of the Corporation in writing (via email) of the initial public offering prices of the Bonds of such Series (the "Initial Public Reoffering Price Telecopy"). The successful bidder for each Series of the Bonds must, by email delivery received by the Chief Financial Officer/Finance Director of the Corporation within 24 hours after notification of the award, furnish the following information to the Chief Financial Officer/Finance Director of the Corporation to complete the Preliminary Official Statement in final form (the "Final Official Statement"):

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds of such Series are sold at the initial reoffering prices).
- B. The identity of the underwriters if such successful bidder is part of a group or syndicate.
- C. Any other material information that the Chief Financial Officer/Finance Director determines is necessary to complete the Final Official Statement.

The Bonds of both Series will be offered pursuant to a single Preliminary Official Statement and a single Final Official Statement, each of which will be completed prior to the issuance of the 2016 Bonds. After the award of the Bonds, the Corporation will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the respective Series of Bonds as the successful bidder may reasonably request; provided, however, that the Corporation will not include in the Final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Chief Financial Officer/Finance Director in all aspects for the accuracy and completion of information provided by such successful bidder with respect to such reoffering.

For purposes of the Internal Revenue Code of 1986, as amended, simultaneously with or before delivery of each Series of Bonds, the successful bidder for such Series shall furnish to the Corporation a certificate satisfactory to the Law Office of Kenneth E. Vassar, LLC, Bond Counsel ("Bond Counsel") and to Hawkins Delafield & Wood LLP, Special Tax Counsel to the Corporation ("Special Tax Counsel") to the effect that such successful bidder either (A) has

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

purchased the Bonds of such Series at par and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary or (B) has (1) made a bona fide public offering of the Bonds of such Series to the public at prices no higher than, or yields no lower than, those shown on the inside cover page of the Final Official Statement, including interest accrued on the Bonds of such Series from the Dated Date, and (2) sold a substantial amount of each maturity of the Bonds of such Series to the final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than, or yields not lower than, those shown on the inside cover page of the Final Official Statement. Bond Counsel and Special Tax Counsel advise that (i) such certificate must be made on the best knowledge, information and belief of such successful bidder, (ii) the sale to the public of more than 10% of each maturity of the Bonds of such Series at prices not greater than, or yields not lower than, those shown on the inside cover page of the Final Official Statement would be sufficient for the purpose of certifying as to the sale of a substantial amount of each maturity of the Bonds of such Series and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel and Special Tax Counsel to assure compliance with the statutory requirement.

The Corporation expects the successful bidder for each Series of Bonds to deliver copies of such Final Official Statement to persons to whom such bidder initially sells such Series of Bonds, and the Municipal Securities Rulemaking Board ("MSRB"). Such successful bidder will be required to acknowledge receipt of such Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB, to acknowledge that the Corporation expects such successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells such Series of Bonds and to certify that the Bonds of such Series will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

**Bidding Options.** (A) Bidders may indicate that the Bonds of a Series maturing in one or more of the years stated in the schedules below (the "Principal Payment Schedule") are to be (1) "Serial Bonds" or (2) "Term Bonds," with the amounts stated under the column titled "Principal Amounts" to be fixed as installments ("Sinking Fund Installments") for the Term Bonds stated. The Sinking Fund Installments stated must equal the aggregate principal amount of the Term Bonds to which the Sinking Fund Installments correspond. No more than 5 (five) Term Bonds per Series will be allowed.

Subject to modification by the Corporation as described herein, the Bonds shall mature semiannually on June 1 and December 1 of each year and in the amounts, or be retired by Sinking Fund Installments, as follows:

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

**FIRST SERIES BONDS PRINCIPAL PAYMENT SCHEDULES\***

Subseries A-1 (Non-AMT)

<u>Date</u>	<u>Principal Amounts*</u>
December 1, 2037	\$860,000

\*Preliminary, subject to change.

Subseries A-2 (AMT)

<u>Date</u>	<u>Principal Amounts*</u>	<u>Date</u>	<u>Principal Amounts*</u>
June 1, 2017	\$600,000	December 1, 2027	\$745,000
December 1, 2017	635,000	June 1, 2028	745,000
June 1, 2018	645,000	December 1, 2028	760,000
December 1, 2018	640,000	June 1, 2029	770,000
June 1, 2019	640,000	December 1, 2029	785,000
December 1, 2019	640,000	June 1, 2030	795,000
June 1, 2020	640,000	December 1, 2030	825,000
December 1, 2020	650,000	June 1, 2031	825,000
June 1, 2021	650,000	December 1, 2031	835,000
December 1, 2021	655,000	June 1, 2032	850,000
June 1, 2022	650,000	December 1, 2032	845,000
December 1, 2022	660,000	June 1, 2033	870,000
June 1, 2023	660,000	December 1, 2033	880,000
December 1, 2023	665,000	June 1, 2034	905,000
June 1, 2024	670,000	December 1, 2034	930,000
December 1, 2024	685,000	June 1, 2035	875,000
June 1, 2025	700,000	December 1, 2035	935,000
December 1, 2025	715,000	June 1, 2036	965,000
June 1, 2026	720,000	December 1, 2036	990,000
December 1, 2026	725,000	June 1, 2037	1,015,000
June 1, 2027	730,000	December 1, 2037	170,000

\*Preliminary, subject to change.

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

**SECOND SERIES BONDS PRINCIPAL PAYMENT SCHEDULES\***

<u>Date</u>	<u>Principal Amounts*</u>	<u>Date</u>	<u>Principal Amounts*</u>
June 1, 2022	\$345,000	December 1, 2034	\$485,000
December 1, 2022	345,000	June 1, 2035	490,000
June 1, 2023	350,000	December 1, 2035	500,000
December 1, 2023	355,000	June 1, 2036	510,000
June 1, 2024	355,000	December 1, 2036	520,000
December 1, 2024	360,000	June 1, 2037	530,000
June 1, 2025	365,000	December 1, 2037	535,000
December 1, 2025	370,000	June 1, 2038	545,000
June 1, 2026	370,000	December 1, 2038	560,000
December 1, 2026	375,000	June 1, 2039	570,000
June 1, 2027	380,000	December 1, 2039	580,000
December 1, 2027	385,000	June 1, 2040	150,000
June 1, 2028	390,000	December 1, 2040	155,000
December 1, 2028	395,000	June 1, 2041	155,000
June 1, 2029	405,000	December 1, 2041	160,000
December 1, 2029	410,000	June 1, 2042	160,000
June 1, 2030	415,000	December 1, 2042	165,000
December 1, 2030	420,000	June 1, 2043	170,000
June 1, 2031	430,000	December 1, 2043	170,000
December 1, 2031	435,000	June 1, 2044	175,000
June 1, 2032	445,000	December 1, 2044	180,000
December 1, 2032	450,000	June 1, 2045	180,000
June 1, 2033	460,000	December 1, 2045	95,000
December 1, 2033	465,000	June 1, 2046	80,000
June 1, 2034	475,000	December 1, 2046	80,000

\*Preliminary, subject to change.

The preliminary aggregate principal amount of a Series of Bonds, the preliminary principal amount of each maturity of a Series of Bonds and the preliminary principal amount of each Sinking Fund Installment as set forth above in the Principal Payment Schedule (the "Preliminary Aggregate Principal Amount," the "Preliminary Principal Amounts" and the "Preliminary Sinking Fund Amounts," respectively; collectively, the "Preliminary Amounts") may be revised in accordance with the procedures set forth below under "ELECTRONIC BIDDING AND BIDDING PROCEDURES - Modification." Any such revision (the "Revised Aggregate Principal Amount," the "Revised Principal Amounts," and the "Revised Sinking Fund Amounts" respectively; collectively, the "Revised Amounts") will be published via Parity no later than 4:00 p.m. prevailing Eastern Time on July 12, 2016. In the event that no such revisions are made, the

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and to select the successful bidder.

After selecting the successful bidder, the Corporation will determine the final aggregate principal amount, the final principal amount of each maturity of the Bonds and the final amount of each Sinking Fund Installment (the "Final Aggregate Principal Amount," the "Final Principal Amounts" and the "Final Sinking Fund Amounts," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the Corporation will not adjust the Revised Aggregate Principal Amount, the Revised Principal Amounts or the Revised Sinking Fund Amounts of any maturity by more than 15%. All Bids remain firm until 4:00 p.m. prevailing Eastern Time on the date of the receipt of the bids. The dollar amount bid by the successful bidder will be adjusted proportionately to reflect any change in the aggregate principal amount of the Bonds. The interest rates specified by the successful bidder for each maturity will not change.

**Form of Bonds.** The Bonds will be delivered in Book-Entry Form through the facilities of DTC against payment of the purchase price thereof in Federal Reserve Bank Funds.

**Dated Date.** The Bonds will be dated the date of delivery (the "Dated Date").

**Payment of Principal and Interest.** Interest on the Bonds will be payable from the Dated Date thereof on December 1, 2016, and semi-annually thereafter on the first day of June and December of each year until paid or redeemed in full.

Principal on the Bonds will be payable at maturity or upon earlier redemption to the registered owners upon presentation at the office of U.S. Bank National Association (formerly known as U.S. Bank Trust National Association), as Trustee under an Indenture dated as of October 1, 1999, and a proposed Supplemental Indenture dated as of July 1, 2016, which will secure the Bonds (together, the "Indenture").

**Authorization and Purpose.** The Bonds will be issued by the Corporation pursuant to Chapter 56 of Title 18 of the Alaska Statutes and Chapter 34, SLA 2002 to finance the acquisition of homes for qualified veterans residing in Alaska. The issuance of the Bonds is authorized by virtue of the bond proposition permitting and providing for a guarantee of the Bonds by the State of Alaska (the "State") passed in an election held in the State on November 5, 2002 and resolutions of the Board of Directors of the Corporation.

**Security for the Bonds.** The Bonds will be general obligations of the Corporation for which its full faith and credit will be pledged, subject to agreements made with the holders of other obligations of the Corporation pledging particular revenues and assets. The Bonds will be primarily secured by program obligations (the "Program Obligations") which are expected to consist initially of mortgage loans that have been originated by qualified lending institutions in the State and purchased by the Corporation under the Corporation's Veterans Mortgage Program as well as mortgage-backed certificates acquired in exchange for certain mortgage loans. These mortgage loans and certificates, along with other permitted Program Obligations together with

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

the payments thereon, will be pledged to the Trustee under the Indenture. In addition, the Bonds will be secured by a pledge of the Pledged Revenues, as defined in the Indenture, and all assets held in any fund or account established under the Indenture.

Principal and interest on the Bonds is unconditionally guaranteed by the State. The full faith, credit, and resources of the State are pledged to the payment of the principal and interest on the Bonds and the principal and interest on the Bonds is secured by the general obligation of the State.

The Indenture must be consulted for a complete description of the security for the Bonds.

**Redemption.** The Bonds are subject to optional redemption and special redemption, including redemption at par, as set forth in the Indenture and Preliminary Official Statement.

ELECTRONIC BIDDING AND BIDDING PROCEDURES

**Registration to Bid.** All prospective bidders must be contracted customers of Parity. To become a customer contact Parity at (212) 404-8102. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Corporation that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Official Notice of Sale shall conflict with information provided by Parity, this Official Notice of Sale shall control. Further information about Parity, including any fees charged, may be obtained from Parity at (212) 404-8102.

**Disclaimer.** Each prospective bidder shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Corporation nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Corporation nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of Parity, or have any liability for any delays or interruptions of, or any damages caused by Parity. The Corporation is using Parity as a communication mechanism, and not as the Corporation's agent, to conduct the electronic bidding for the Bonds. The Corporation is not bound by any advice and determination of Parity to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders; and the Corporation is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for Bonds, it should telephone Parity at (212) 849-5021 and notify the Chief Financial Officer of the Corporation by phone at (907) 330-8366.



Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

**Bidding Procedures.** Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Alaska Housing Finance Corporation AON Bid Form (the "Bid Form") via Parity by 11:00 a.m., prevailing Eastern Time, on July 13, 2016, unless postponed as described herein (see "Change of Bid Date and Closing Date"). Prior to that time, a prospective bidder may input and save proposed terms of its bid in Parity. Once the final bid has been saved in Parity, the bidder may select the final bid button in Parity to submit the bid to Parity. Once the bids are communicated electronically via Parity to the Chief Financial Officer of the Corporation, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Corporation, as described under "Award of Bonds" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via Parity. No bid will be received after the time for receiving such bids specified above.

**Bid Procedure and Basis of Award.** Subject to the right reserved to the Corporation to reject any or all bids, Bonds will be awarded to the bidder whose bid produces the lowest true interest cost ("TIC") and otherwise complies with this Official Notice of Sale. The TIC for the Bonds will be determined by doubling the semi-annual interest rate, compounded semiannually, necessary to discount the semiannual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price.

Bids shall be retrieved, reviewed and publicly approved by the Corporation within 30 minutes of the deadline for the receipt of Bids, on July 13, 2016, at which time the bids will be considered. Bids must remain valid until at least 4:00 p.m. prevailing Eastern Time, on July 13, 2016, and if accepted by the Corporation prior to such time, shall be irrevocable except as otherwise provided in this Official Notice of Sale.

**Change of Bid Date and Closing Date.** The Corporation expects to take bids on the Bonds on July 13, 2016. However, the Corporation reserves the right to change, from time to time, the date or time established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Parity. Prospective bidders may request notification by email of any such changes in the date or time for the receipt of bids by so advising, FirstSouthwest, a Division of Hilltop Securities Inc. at (212) 642-4357, by 12 noon, prevailing Eastern Time, two days prior to the date fixed for the receipt of bids.

A change of the bid date and/or time will be announced via Parity not later than 4:00 p.m., prevailing Eastern Time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via Parity at least 20 hours prior to such alternative date and time for receipt of bids.

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

The Corporation may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids. See "Delivery and Payment" hereinafter.

The reset sale notice may state different terms and conditions of sale and may refer to this notice for any or all terms of sale. All bidders will be deemed to have assented to the above conditions by submitting a bid, and lack of actual notice of the postponement or of the reset terms of sale will not be considered.

**Delivery and Payment.** It is anticipated that the Bonds, in definitive form, will be available for delivery on July 27, 2016, through the facilities of The Depository Trust Company ("DTC") in New York, New York, but that the closing of the Bonds will take place in San Francisco, California; Anchorage, Alaska; New York, New York; Los Angeles, California; Chicago, Illinois; or Seattle, Washington, as may be determined by the Corporation, on the same date, or such other date and place mutually agreed upon between the successful bidder and the Corporation. Full payment of the balance of the purchase price for the Bonds must be made to the Corporation by the successful bidders in Federal Reserve Funds or other immediately available funds without cost to the Corporation at the time of delivery of the Bonds. The Bonds will be delivered in Book-Entry Form with DTC named as depository. Simultaneously with or before delivery of the Bonds, the successful bidders shall furnish to the Corporation a certificate satisfactory to Bond Counsel and to Special Tax Counsel to the effect that the successful bidder either (A) has purchased the Bonds at par and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary or (B) has (1) made a bona fide public offering of the Bonds to the public at prices no higher than, or yields no lower than, those shown on the inside cover page of the final Official Statement, including interest accrued on the Bonds from the Dated Date, and (2) sold a substantial amount of each maturity of the Bonds to the final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than, or yields not lower than, those shown on the inside cover page of the final Official Statement. Bond Counsel and Special Tax Counsel advise that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of more than 10% of each maturity of the Bonds at prices not greater than, or yields not lower than, those shown on the inside cover page of the final Official Statement would be sufficient for the purpose of certifying as to the sale of a substantial amount of each maturity of the Bonds and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel and Special Tax Counsel to assure compliance with the statutory requirement.

**Tax-Exempt Status.** In the event that prior to the delivery of the Bonds any federal income tax law is enacted or proposed with application to the Bonds which will have a substantial adverse effect upon holders of the Bonds as such, a successful bidder may, at its option, prior to the delivery of the Bonds by the Corporation, be relieved of its obligation. In the opinion of Bond Counsel and Special Tax Counsel, under existing statutes and court decisions, (i) interest on the Bonds is not included in gross income for federal income tax purposes; (ii) interest on the A-1 (non-AMT) Bonds and Second Series Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax imposed under the Code with

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

respect to individuals and corporations; interest on the A-1 (non-AMT) Bonds is, and interest on the Second Series Bonds is not, included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations; and (iii) interest on the A-2 Bonds is treated as a preference item for purposes of calculating the alternative minimum tax imposed under the Code, with respect to individuals and corporations. A more complete statement of tax exemption is included in the Preliminary Official Statement.

**Bond Ratings.** Standard & Poor's Ratings Services ("S&P") has assigned a rating of AAA to the Bonds, and Moody's Investors Service, Inc. ("Moody's") has assigned a rating of Aaa to the Bonds.

**Legal Opinion.** The legal opinions of Bond Counsel and Special Tax Counsel will be furnished to the successful bidders without cost.

**CUSIP Numbers.** It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by a successful bidder to accept delivery of and pay for the Bonds.

**Preliminary and Final Official Statement.** The Corporation's Preliminary Official Statement (the "POS"), dated July 6, 2016, is available for viewing in electronic format via the internet at the Corporation's website ([www.ahfc.us](http://www.ahfc.us)). Copies are available at <http://www.MuniOS.com>. All bidders must review the POS and certify that they have done so prior to participating in the bidding. The Corporation shall provide a successful bidder with a reasonable number of copies of an official statement within seven (7) business days following the date of acceptance of the bid.

**Continuing Disclosure Undertaking.** In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the Corporation will undertake to provide certain annual financial information and the Corporation will undertake to provide notices of certain events with respect to the Bonds, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the final Official Statement.

**Modification.** The Corporation reserves the right to modify any terms of this Official Notice of Sale or the Preliminary Official Statement via notification published on Parity no later than 4:00 p.m., prevailing Eastern Time, on July 12, 2016 (or, in the event of a change in bid date or time in accordance herewith, the day prior to the reset bid date).

**Additional Information.** The Preliminary Official Statement is in a form which the Corporation deems final as of July 6, 2016 for purposes of SEC Rule 15c2-12, but is subject to revision, amendment, and completion in a final Official Statement, as set forth in SEC Rule 15c2-12(b)(3). Electronic copies of the Preliminary Official Statement relating to the issuance of the Bonds, the proposed Indenture, and this Official Notice of Sale may be obtained from FirstSouthwest, a Division of Hilltop Securities Inc., 485 Madison Avenue, Suite 1800, New York, New York 10022.

Alaska Housing Finance Corporation  
Official Notice of Sale of Bonds

Michael Strand  
Chief Financial Officer/Finance Director  
Alaska Housing Finance Corporation  
4300 Boniface Parkway  
Anchorage, Alaska 99504  
(907) 330-8366  
Dated: July 6, 2016